

Message Text

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ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 COME-00 TRSE-00 L-03 FCSC-01

CIAE-00 INR-07 NSAE-00 /029 W

-----037340 220603Z /17

R 220350Z JUN 77

FM AMEMBASSY DACCA

TO SECSTATE WASHDC 5128

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E.O. 11652: N/A

TAGS: EINV, BG

SUBJ: NATIONALIZATION COMPENSATION

REF: 76 DACCA 4706

1. ECONOFF VISITED THE OFFICES OF EJAZUL HUQ, DEPUTY SECRETARY, MINISTRY OF INDUSTRIES, ON JUNE 16 TO DISCUSS THE CURRENT STATUS OF THE BANGLADESHI'S COMPENSATION PROGRAM FOR FIRMS NATIONALIZED UNDER PRESIDENTIAL ORDERS 27 AND 28. EXCLUDING BELBAGCO, MR. HUQ'S OFFICE HAD RECORDS OF COMPENSATION CLAIMS HAVING BEEN FILED BY ONLY ONE U.S. FIRM, THE AMERICAN EXPRESS INTERNATIONAL BANKING CORP. THIS CLAIM WAS FOR SHARES IN A NUMBER OF COMPANIES WHICH WERE HELD BY AMERICAN EXPRESS. THE AMEXCO BANK MANAGER IN DACCA LATER CONFIRMED THAT AMEXCO HAD FILED SUCH CLAIMS AND WAS APPARENTLY SATISFIED WITH THE GOVERNMENT'S PROCEEDINGS TO DATE.

2. THE DATE FOR FILING FOR COMPENSATION HAS, OF COURSE, PASSED AND CURRENT COMPENSATION SCHEDULES CALL FOR PAYMENT OF FIFTY PERCENT OF THE GOVERNMENT LIABILITY BY THE END OF THIS FISCAL YEAR (JUNE 30, 1977). ECONOFF HAD UNDERSTOOD THAT SEVERAL OTHER U.S. CONTROLLED FIRMS HAD FILED OR INTENDED TO FILE FOR COMPENSATION IN 1976 AND EARLY 1977. DEPUTY SECRETARY HUQ COULD NOT CONFIRM THAT

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ANY OTHERS HAD FILED. SEVERAL SPECIFIC CLAIMS AND THEIR STATUS WERE DISCUSSED. THESE ARE SUMMARIZED IN THE FOLLOWING PARAGRAPH.

3. THE ONLY ADDITIONAL U.S. CONTROLLED FIRM ELIGIBLE FOR COMPENSATION, ACCORDING TO MR. HUQ, WAS THE ASSOCIATED BAGGING COMPANY. (NOTE: ASSOCIATED BAGGING

WAS OWNED BY THE SWISS FIRM, AUDLEY, WHICH IN TURN WAS OWNED FIFTY PERCENT EACH BY THE WILCOX CO. OF NEW YORK AND THE LANGSTON COMPANIES OF TENNESSEE.) MR. HUQ HAD NO RECORD OF A CLAIM HAVING BEEN FILED FOR ASSOCIATED BAGGING (OR FOR AUDLEY). THE FIRM'S NET WORTH HAD, HOWEVER, BEEN ASSESSED AT TK 2,454,684 OR ABOUT U.S. \$158,000 AT CURRENT EXCHANGE RATES. FYI: LATER IN THE DAY, MR. CHOUDHURY OF LAW CONSULTANTS, THE LAWYER OF RECORD FOR ASSOCIATED, ASSURED ECONOFF THAT HIS FIRM HAD FILED A CLAIM UNDER THE AUDLEY NAME ON OCTOBER 27, 1976.

4. IN MARCH 1977 OFFICIALS OF PHILIP MORRIS VISITED DACCA WHERE THEY EXPLAINED THAT THEIR FIRM HAD FILED A CLAIM FOR THE FIRM DACCA TOBACCO. THE CLAIM HAD BEEN FILED BY PHILIP MORRIS' PAKISTANI SUBSIDIARY, PREMIER TOBACCO. MR. HUQ EXPLAINED THAT HE WAS NOT AWARE OF SUCH A CLAIM. IN ANY CASE, DACCA TOBACCO HAD A NEGATIVE NET WORTH, HE ADDED.

5. ECONOFF EXPLAINED THAT IT WAS THE EMBASSY'S UNDERSTANDING THAT FARROKH CAPTAIN, A U.S. CITIZEN, INTENDED TO FILE A CLAIM FOR COMPENSATION FOR HIS OWNERSHIP IN THE FIRM FARROKH CHEMICALS, OR TO SEEK ITS RETURN TO HIS CONTROL. MR. HUQ SAID HE HAD NO RECORD OF A CLAIM BEING FIELD.

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6. COMMENT: IT IS NOT YET CLEAR WHETHER THE ABSENCE OF RECORDS IS THE RESULT OF CLERICAL INADEQUACIES OF MR. HUQ'S OFFICE OR THE FAILURE OF FIRMS TO FILE CORRECTLY FOR COMPENSATION. PAKISTANI OWNERSHIP MAY ADVERSELY AFFECT THE PHILIP MORRIS CLAIM.
MASTERS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, COMPENSATION, BUSINESS FIRMS
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977DACCA03369
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770222-0546
Format: TEL
From: DACCA
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770632/aaaabbpv.tel
Line Count: 101
Litigation Code IDs:
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Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f28fe378-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 DACCA 4706
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2074359
Secure: OPEN
Status: NATIVE
Subject: NATIONALIZATION COMPENSATION
TAGS: EINV, BG
To: STATE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/f28fe378-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009